

231874

LAW OFFICE
THOMAS F. MCFARLAND, P.C.
208 SOUTH LA SALLE STREET - SUITE 1890
CHICAGO, ILLINOIS 60604-1112
TELEPHONE (312) 236-0204
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FEB 21 2012

THOMAS F. MCFARLAND

February 17, 2012

By UPS overnight mail

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20024

FILED
FEB 21 2012
SURFACE
TRANSPORTATION BOARD

Re: STB Finance Docket No. 35599, *Santa Teresa Southern Railroad, LLC --
Operation Exemption -- Rail Line of Verde Logistics Railroad, LLC at Santa
Teresa, Dona Ana County, NM*

Dear Ms. Brown:

Enclosed please find an original and 10 copies of Verified Notice of Exemption Under 49
C.F.R. § 1150.31, for filing with the Board in the above referenced matter.

Also enclosed is a check in the amount of \$1,800 for the filing fee

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Applicant

1 McFarland enclosed w/ps 01/17/12

FEE RECEIVED

FEB 21 2012

SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FEB 21 2012

SANTA TERESA SOUTHERN)
RAILROAD, LLC -- OPERATION)
EXEMPTION -- RAIL LINE OF VERDE) FINANCE DOCKET
LOGISTICS RAILROAD, LLC AT) NO. 35599
SANTA TERESA, DONA ANA)
COUNTY, NM)

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31

FILED
FEB 21 2012
SURFACE
TRANSPORTATION BOARD

SANTA TERESA SOUTHERN RAILROAD, LLC
P.O. Box 99
102 Willow Drive
O'Fallon, IL 62269

Applicant

CHICAGO PUBLIC RECORDS
FEB 21 2012
Public Record

THOMAS F. McFARLAND
THOMAS F. McFARLAND, P.C.
208 South LaSalle Street, Suite 1890
Chicago, IL 60604-1112
(312) 236-0204 (ph)
(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

Date Filed: February 21, 2012

FEE RECEIVED
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SURFACE
TRANSPORTATION BOARD

C.
FILED 21 2012
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BEFORE THE
SURFACE TRANSPORTATION BOARD

SANTA TERESA SOUTHERN)	
RAILROAD, LLC -- OPERATION)	FINANCE DOCKET
EXEMPTION -- RAIL LINE OF VERDE)	NO. 35599
LOGISTICS RAILROAD, LLC AT)	
SANTA TERESA, DONA ANA)	
COUNTY, NM)	

**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.31**

Pursuant to 49 U.S.C. § 10502(a) and the class exemption at 49 C.F.R. § 1150.31 *et seq.*, SANTA TERESA SOUTHERN RAILROAD, LLC (STSR), a noncarrier, hereby provides notice of its exemption from 49 U.S.C. § 10901 for its operation of approximately 12,000 feet of rail line extending between point of connection with Union Pacific Railroad Company (UP) at or near Milepost 1280 on UP's Lordsburg Subdivision and terminus at Strauss Road^{1/} at or near Santa Teresa, Dona Ana County, New Mexico (the Rail Line). The Rail Line is depicted in a print that is attached to this Notice as Appendix 1. A map showing Santa Teresa Logistics Industrial Park, in which the Rail Line is located, and UP's trackage in the area is attached as Appendix 2.

This proceeding is related to Finance Docket No. 35600, *Gregory B. Cundiff, et al. -- Continuance in Control Exemption -- Santa Teresa Southern Railroad, LLC*, in which Mr. Gregory B. Cundiff and others are filing a notice of class exemption under 49 C.F.R. §

^{1/} Strauss Road has been designed but has not been constructed as of the filing of this Notice.

1180.2(d)(2) for their continuance in control of STSR when STSR becomes a rail carrier in this proceeding.

The Rail Line is located within Santa Teresa Logistics Industrial Park (the Industrial Park). It is owned by Verde Logistics Railroad, LLC (Verde), a noncarrier. Verde constructed the track as private track before any shipper facilities were located in the Industrial Park. Verde does not hold itself out as providing rail service to Industrial Park. Verde and STSR have entered into an Operating Agreement whereby STSR will provide common carrier rail service over Verde's private track in order to serve shippers and receivers who are located in the Industrial Park currently and who will locate in the Industrial Park in the future. STSR's common carrier rail service over Verde's private track requires Board authority or exemption. *See New York Central R. Co. v. Southern Ry. Co.*, 226 F.Supp. 463, 471 (ND Ill., ED, 1964), *aff'd* 338 F.2d 667 (7th Cir. 1964), *cert. den* 380 U.S. 914 (1965).

INFORMATION REQUIRED BY 49 C.F.R. § 1150.33

(a) The full name and address of the applicant;

Applicant is Santa Teresa Southern Railroad, LLC (STSR), P.O. Box 99, 102 Willow Drive, O'Fallon, IL 62269.

(b) The name, address, and telephone number of the representative of the applicant who should receive correspondence;

Applicant's representative is Thomas F. McFarland, Thomas F. McFarland, P.C. 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112. ph (312) 236-0204, fax (312) 201-9695, mcfarland@aol.com.

(c) A statement that an agreement has been reached or details about when an agreement will be reached;

An agreement has been reached between Verde and STSR for STSR to operate the Rail Line.

(d) The operator of the property;

The operator of the property will be STSR.

(e) A brief summary of the proposed transaction, including:

(1) The name and address of the railroad transferring the subject operating authority;

The entity contracting for STSR's operation is Verde Logistics Railroad, LLC, 5847 San Felipe, Suite 4400, Houston, TX 77057.

(2) The proposed time schedule for consummation of the transaction,

The transaction will be consummated no sooner than 30 days after filing of this notice with the Board.

(3) The mile-posts of the subject property, including any branch lines, and

The Rail Line does not have mileposts. It extends approximately 12,000 feet between point of connection with UP at Milepost 1280 on UP's Lordsburg Subdivision and terminus at Strauss Road (*see note 1, supra*) at or near Santa Teresa, Dona Ana County, NM.

(4) The total route miles being acquired;

A total of approximately 2.27 miles of rail line will be operated.

(f) A map that clearly indicates the area to be served, including origins, termini, stations, cities, counties, and States; and

Attached to this notice as Appendix 1 is a print on which the rail line has been shaded in red. Attached to this notice as Appendix 2 is a map that depicts Santa Teresa Logistics Industrial Park, in which the Rail Line is located, and UP trackage in the area.

(g) A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier.

Attached to this notice as Appendix 3 is a verification that STSR's projected revenues do not exceed those that would qualify it as a Class III rail carrier.

VERIFICATION

The verification attached to this notice as Appendix 3 includes a verification of all facts contained in this notice.

REVENUES LESS THAN \$5 MILLION PER YEAR

The verification attached as Appendix 3 includes a verification that the projected revenues of STSR will not exceed \$5 million per year.

ENVIRONMENTAL AND HISTORIC CONSIDERATIONS

Pursuant to 49 C.F.R. § 1105.6(c)(2), no environmental documentation or report is required for the proposed transaction. Pursuant to 49 C.F.R. § 1105.8(b)(2), no historic documentation or report is required for the proposed transaction.

LABOR PROTECTION

Pursuant to 49 U.S.C. § 10901(c), no labor protection is required for the proposed transaction.

CAPTION SUMMARY

Attached to this notice as Appendix 4 is a caption summary required by 49 C.F.R. § 1150.34.

LAND GRANT RIGHT-OF-WAY

Applicant is not aware of any land grant right-of-way in the Rail Line.

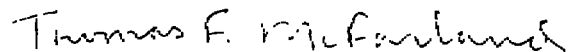
CONCLUSION

WHEREFORE, the Board should publish notice of the exemption in the *Federal Register* within 16 days of its filing.

Respectfully submitted,

SANTA TERESA SOUTHERN RAILROAD, LLC
P.O. Box 99
102 Willow Drive
O'Fallon, IL 62269

Applicant

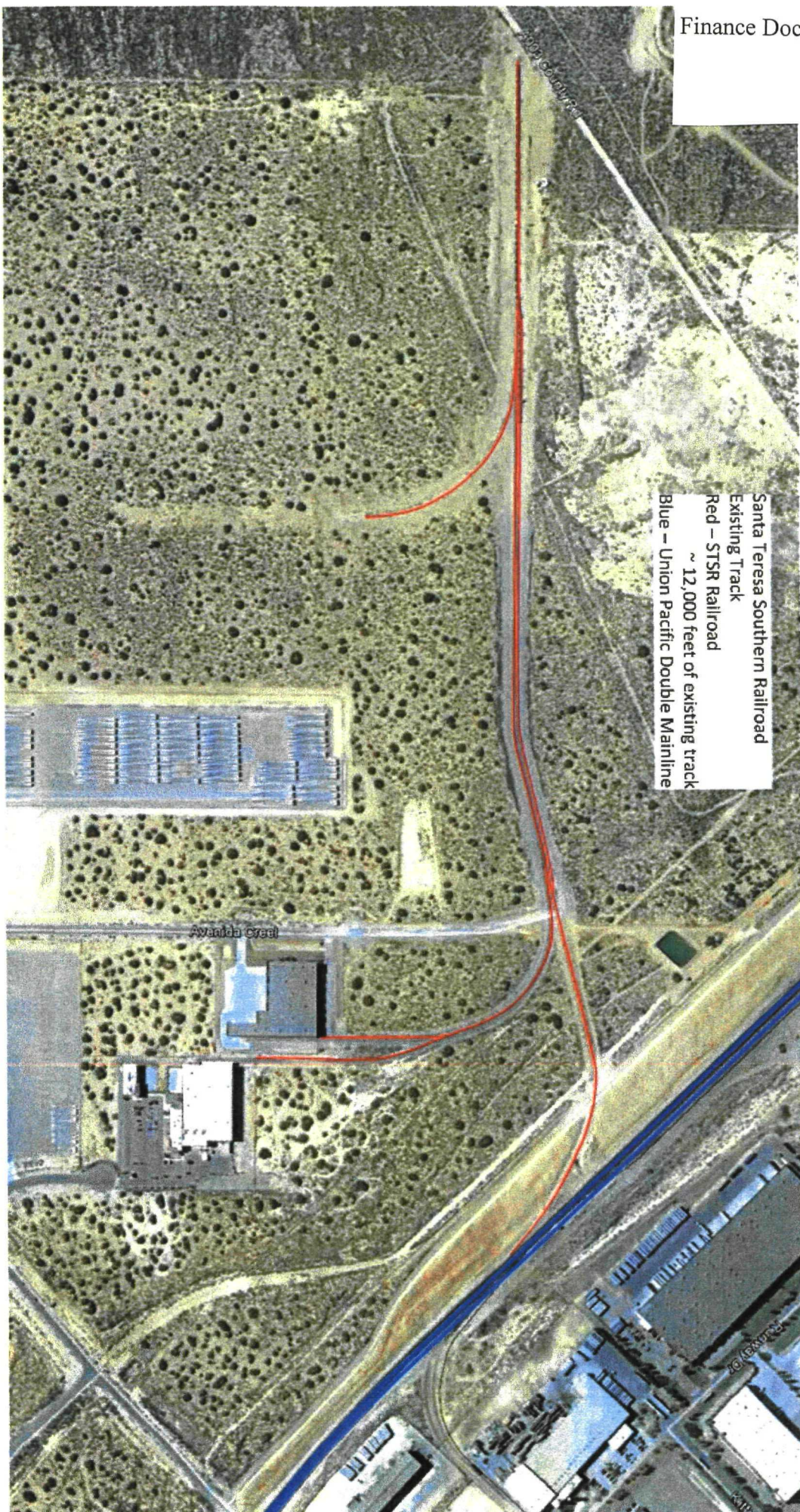


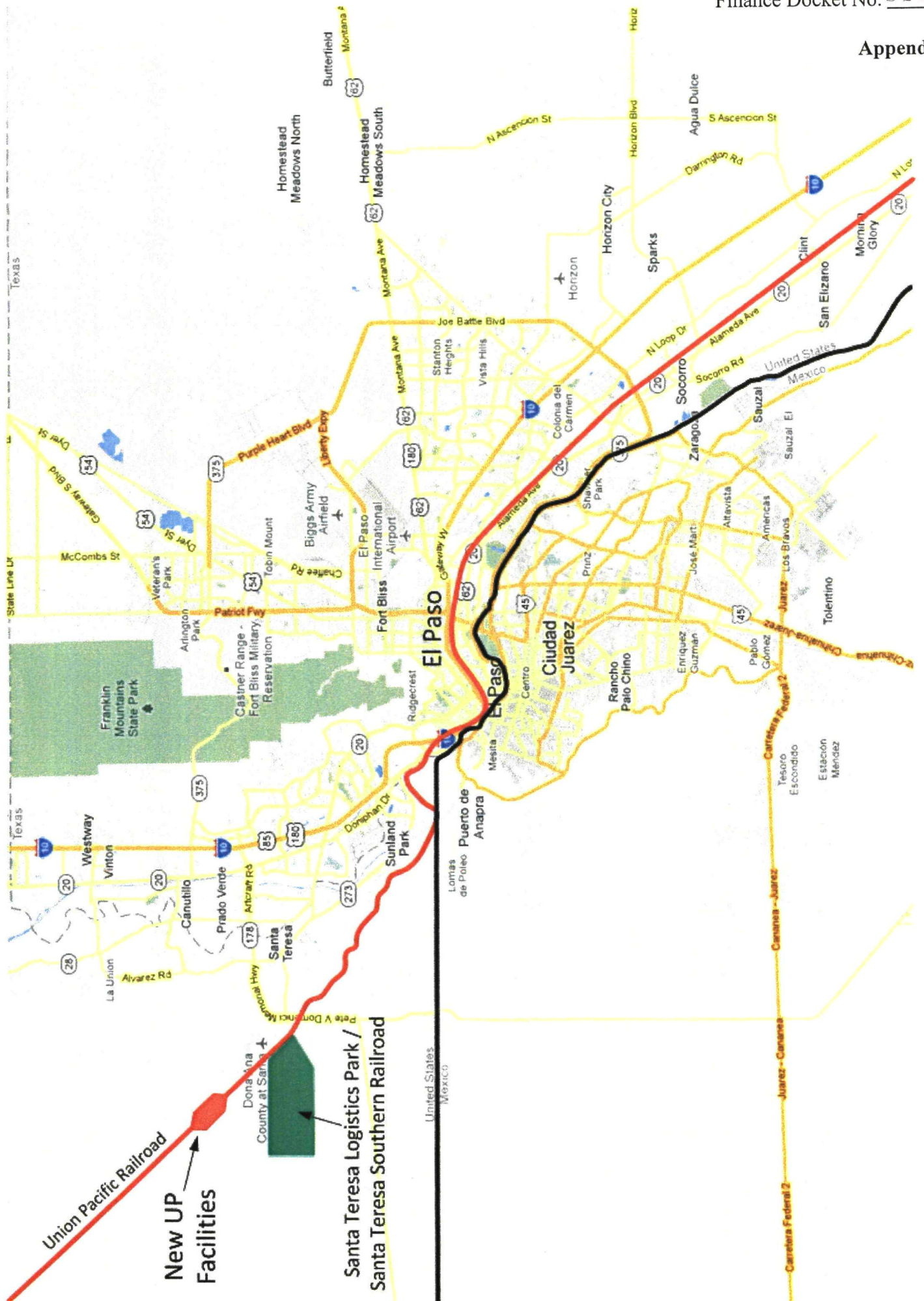
THOMAS F. McFARLAND
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(312) 201-9695 (fax)
mcfarland@aol.com

Attorney for Applicant

Date Filed: February 21, 2012

Appendix 1





Finance Docket No. 35599

Appendix 3

VERIFICATION

BARRY S. McCLURE, being duly sworn, states that he is Executive Vice President of Ironhorse Resources, Inc., parent company of Santa Teresa Southern Railroad, LLC (STSR); that he is familiar with the facts stated in the foregoing Notice of Exemption; that STSR's projected revenues do not exceed those that would qualify it as a Class III rail carrier; that the projected annual revenue of STSR does not exceed \$5 million; and that all of the facts stated in the Notice of Exemption are true and correct.

Barry S. McClure
BARRY S. McCLURE

STATE OF ILLINOIS)
) SS:
COUNTY OF ST. CLAIR)

SUBSCRIBED AND SWORN to
before me this 16th day
of February, 2012.

Connie J. DeCoursey
Notary Public

My Commission Expires: 10-6-2012



CAPTION SUMMARY

**SURFACE TRANSPORTATION BOARD
NOTICE OF EXEMPTION**

(Finance Docket No. 35599)

**SANTA TERESA SOUTHERN RAILROAD, LLC -- OPERATION
EXEMPTION -- RAIL LINE OF VERDE LOGISTICS RAILROAD, LLC
AT SANTA TERESA, DONA ANA COUNTY, NM**

Santa Teresa Southern Railroad, I.LC (STSR), a noncarrier, has filed a notice of its exemption from 49 U.S.C. § 10901 for its operation, pursuant to an Operating Agreement with Verde Logistics Railroad, LLC, of approximately 12,000 feet of rail line extending between point of connection with Union Pacific Railroad Company (UP) at or near Milepost 1280 on UP's Lordsburg Subdivision and terminus at Strauss Road^{1/} at or near Santa Teresa, Dona Ana County, New Mexico. The transaction was to be consummated no sooner than 30 days after the filing of the notice of exemption.

This proceeding is related to Finance Docket No. 35600 in which Gregory B. Cundiff, Connie Cundiff, CGX, Inc. and Ironhorse Resources, Inc. have concurrently filed a notice of exemption for their continuance in control of STSR when STSR becomes a rail carrier upon consummation of the transaction described in this notice.

Any comments must be filed with the Board and must be served on applicant's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, ph (312) 236-0204, fax (312) 201-9695, mcfarland@aol.com.

This notice of exemption is filed under 49 C.F.R. § 1150.31. If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

(SEAL)

By the Board

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